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SUBJECT: Taiwan Media Too Hard on Ma According to Fujian
Cross-Strait Scholars

11. (SBU) Summary: Is Ma Ying-jeou getting a bum rap from the Taiwan media? Cross-Strait scholars at Xiamen University in Fujian province say he deserves higher marks, citing good progress on cross-Strait relations, foreign affairs, political and social issues. One researcher blamed disappointing economic performance on factors generally beyond Ma's control. Taiwan's economy will continue to struggle with limited prospects for growth from government spending, investment, domestic consumption or exports, according to one scholar. He believes that mainland tourists are the best hope for the Taiwan economy and that their numbers can be increased if travel is made more convenient. The scholars are optimistic about continuing progress in cross-Strait relations, asserting that Beijing's timetable for Taiwan is not urgent. The academics commented that Beijing would be open to allowing Taiwan more participation in international organizations as long as Taipei avoids a "two countries" approach to cross-Strait relations. One scholar commented that Tsai Ing-wen would seek to lead the Democratic Progressive Party (DPP) away from Chen Shui-bian but would face challenges from the many Chen supporters who remain entrenched in the party. End Summary.

Giving Ma Higher Marks

12. (SBU) The scholars at Taiwan Research Institute (TRI) at Xiamen University give Ma Ying-jeou higher marks for his performance than the Taiwan media, according to TRI President Liu Guoshen. Liu said Ma had made good progress on cross-Strait relations, foreign affairs, political and social issues, promoting peace and building trust across the Strait step-by-step. Sun Yun, a TRI researcher, pointed out that Ma had made the economy a priority but had not had much success because of factors largely beyond his control such as rising oil prices, inflation and generally deteriorating business environment.

13. (SBU) Sun believes that Ma's approach on cross-Strait relations -- further opening, a cooperative approach with Beijing and pursuing a peace framework -- still enjoy support from the Taiwan people. He explained that Beijing responded positively to Ma's description of the cross-Strait relationship as between special regions instead of countries and to Ma's decision to scale back missile research. According to Sun, Beijing showed its favorable reaction by authorizing State Council Taiwan Affairs Office Director Wang Yi's announcement at early September's China International Fair on Investment and Trade in Xiamen of several new measures, including issuance of permanent ID numbers to Taiwan residents in the mainland and facilitation of mainland tourism travel to Taiwan via Xiamen.

14. (SBU) Economic issues are currently the focus of Taiwan's Mainland Affairs Council, and they will dominate the agenda when Chen Yunlin, the chair of the Association for Relations Across the Taiwan Strait (ARATS), visits Taiwan in October, according to Researcher Chen Kongli (a former head of TRI). Liu commented that there is reason to be optimistic that cooperation will continue. He pointed out that Beijing has stopped talking about unification for

the time being. He believes that Beijing's timetable for its Taiwan agenda is not urgent.

Taiwan Needs Mainland Tourists

15. (SBU) Tang Yonghong, a TRI economics professor, predicted that it would take some time for Taiwan's economy to show substantial improvement. He explained that the Taiwan government didn't have enough fiscal resources to stimulate the economy with more government spending after inheriting a deficit from the Chen Shui-bian administration. Private investment has mostly moved to the mainland. Tang argued that domestic consumption was stunted by an expanding wealth gap, characterized by an "M-shaped" society with growing numbers of rich and poor and a shrinking middle class. Taiwan was having difficulty generating increases in exports, he said, because of economic difficulties in two of its major trading partners -- China and the United States.

16. (SBU) Taiwan's economy needs more mainland tourists, according to Tang. Tourism so far had failed to take-off because Taiwan tours were too expensive, travel application procedures were too complicated and the charter flights schedules were inconvenient with most seats taken by Taiwan travelers. Tang believes that Taiwan should allow charter flights that fly direct without passing through Hong Kong airspace, allow more flights, simplify application procedures and reduce the cost of tours by about 30 percent. If these steps are taken, he predicted that Taiwan would be able to attract the 3,000 tourists currently permitted on a daily basis.

Room for More International Space

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17. (SBU) Chen speculated that Beijing would be open to discussion about how Taiwan might participate more actively in international organizations as long as Taiwan avoids any insistence on a "two countries" formulation and the two sides maintain good communication. Chen pointed out that Taiwan already belongs to 2,157 non-governmental international organizations, which he said was more than the mainland. He expressed concern that U.S. policy on this issue had changed since former AIT Director Raymond Burghardt had written an article saying that Taiwan shouldn't need to get Beijing's approval to join international organizations. The Consul General assured Chen that the U.S. government's policy had not changed with regard to membership in international organizations, though he called for finding creative ways to allow Taiwan to participate where certain kinds of interest, such as global health, were a concern.

Tsai Ing-wen Dealing with Chen's Legacy

18. (SBU) Tsai Ing-wen has taken anti-Ma and anti-Beijing positions similar to Chen Shui-bian, but she is eager to lead the party away from Chen and achieve her own success, according to TRI Political Research Director Zhang Wensheng. This will not be easy, Zhang said, because Chen still has many supporters, especially among those who benefited from eight years of the DPP controlled government.

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